



UNITED NATIONS DEVELOPMENT GROUP
IRAQ TRUST FUND

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ANNUAL PROGRAMME NARRATIVE PROGRESS REPORT

REPORTING PERIOD: JANUARY 1 – DECEMBER 31, 2011

Submitted by:

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Country and Thematic Area:

Programme No: C10-12

MDTF Office Atlas No: 72332

Programme Title: Enterprise Development
through Information and Communication
Technologies (EDICT)

Participating Organization(s):

United Nations Industrial Development
Organization (UNIDO) - Iraq

Implementing Partners:

- Ministry of Industry and Minerals (line ministry)

Kurdistan Regional Government – Iraq (KRG) Ministry of Industry and Trade, KRG Board of Investors, Erbil Chamber of Commerce, KRG Department of Information and Communications Technology

Thi Qar Provincial Council, Thi Qar Chamber of Commerce
- International Telematic University of Rome (UNINETTUNO)

Programme Budget (from the Fund):

USD 2,940,000

Programme Duration (in months):Start date¹: September 2009End date: 31st March 2012**I. Purpose**

The Enterprise Development through Information and Communication Technologies (EDICT) project aims to alleviate poverty through supporting the creation of income and employment opportunities for the Iraqi people with a specific focus on the creation and upgrading of small- and medium-sized enterprises (SMEs). In this regard, the project is in line with the priorities outlined by the Government of Iraq in the National Development Strategy (NDS) as well as those set by the International Compact with Iraq (ICI), the UN Development Cooperation Strategy for Iraq (UNDCS), and the UNCT Economic Reform and Development Outcome Team (ERDSOT).

The project aims to complement another ITF-supported UNIDO project, namely the Enterprise Development and Investment Promotion for the SME Sector in Iraq (EDIP), which has closed operationally in December 2010. The Enterprise Development Centers (EDCs), established through the support of UNIDO within Iraqi public institutions mandated with supporting the local private sector with an emphasis on SME upgrading, and the human resources of these Units, are being reinforced and leveraged through EDICT. To this end, the project foresees the

¹ The start date is the date of the first transfer of funds from the MDTF Office as Administrative Agent.

use of online/broadcasted training and tutorial/advisory services to provide better and more extensive technical assistance to Iraqi entrepreneurs. Another complementary project, namely the Investment Promotion for Iraq (IPI), has been launched in 2009 and together with EDICT, strives to strengthen the EDCs further in promoting domestic and foreign investment in the Iraqi SME sector.

Key achievements (EDIP, EDICT and IPI – three complementary projects: 2008 – December 2011):

Number of entrepreneurs trained	532
Number of entrepreneurs counseled	375
Total number of business plans/upgrading plans prepared	144

Number of counterpart staff trained	156
Number of staff trained which are providing training to entrepreneurs	24
Number of staff trained which are providing counseling services to entrepreneurs	24

Total number of project supported	413
<i>Out of which Start up</i>	<i>192</i>
<i>Out of which Expansion/diversification</i>	<i>221</i>
<i>Out of which Concluded</i>	<i>168</i>
<i>Out of which On-going</i>	<i>222</i>

Total number of project concluded	168
Expanded/diversified	101
Established	67

Estimated employment generated	773
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UNIDO has been working with the International Telematic University of Rome (UNINETTUNO) to transform available training materials on enterprise development into online course modules, which will be made available to Iraqi entrepreneurs through a website as well as satellite television channel. Meanwhile, computers with high-speed internet access and video-conferencing facilities, referred to as technology poles, are being set-up within the EDCs to allow entrepreneurs who lack access to these online resources elsewhere to use them.

Objectives

- To promote domestic and foreign investments in the SME sector in order to create employment opportunities, generate income and alleviate poverty and contribute to accelerated economic development of Iraq.
- Iraqi institutions providing enterprise development services in Baghdad, Erbil, and Thi Qar are promoting local investment.

Outputs

- Output 1: Enterprise Development Centers (EDCs) have increased capacities to deliver training modules (online and offline).
- Output 2: Enterprise Development Centers (EDCs) have enhanced capacities to provide business advisory services to existing and new entrepreneurs.

Indicators and Targets

- *Output 1:*
 - Number of technological pole in place: 3
 - Number of UNIDO training courses recorded: 4
 - Number of entrepreneurs(male/female) trained on-line: 500
 - Number of entrepreneurs(male/female) trained off-line: 200
 - % of trainees(male/female) passing the training assessment: 80%
- *Output 2:*
 - Number of counseling reports prepared: 75
 - Number of mentoring visits (per EDC) conducted by technical experts to advise EDC staff: 4
 - Number of EDC staff (male/female) provided with mentoring support: 15
 - % EDC staff(male/female) satisfied with the quality and mentoring support: 80%
 - Number of enterprises provided with business advisory services: 200
 - % of enterprises satisfied with the quality of business advisory services: 80%

Building on the success and resources of UNIDO's **Enterprise Development and Investment Promotion for the SME Sector in Iraq (EDIP)** project, which has closed operationally in December 2010, EDICT aims to strengthen the **Enterprise Development Centers (EDCs)**, established within Iraqi public institutions mandated with supporting private sector development in the governorates of Baghdad, Thi Qar and Erbil. These Centers, through UNIDO support and mentoring, has been servicing Iraqi entrepreneurs through interventions such as training courses, business counseling and investment promotion since 2008. While EDICT will allow these Centers to continue their existing work, it will also add distance-learning capacities to their toolbox.

In this regard, EDICT is in line with the objectives set by the **UN Development Assistance Framework for Iraq (UNDAF) for 2011-2014**, particularly with those pertaining to poverty reduction and income generation through job creation. Accordingly, the project falls under UNIDO interventions held within the framework of **UN Priority Working Group (PWG) on "inclusive, more equitable and sustainable economic growth"**.

Furthermore, since the project focuses on themes such as private sector development, foreign investment and industrial sector, it is in line with the **Iraqi National Development Strategy (NDS)**. In this regard, direct support to enterprises envisaged as a part of the project will attempt to revitalize the private sector and provide much-needed support for industrial development and growth.

Implementing partners

The project is devising an alternative delivery tools for the training modules delivered through classroom courses during UNIDO's "Enterprise Development Programme and Investment Promotion for the SME sector in Iraq" project. These modules were prepared in collaboration with the "**Arab Regional Centre for Entrepreneurship and Investment Training (ARCEIT)**". To this end, UNIDO has joined hands with the **International Telematic University (UNINETTUNO)**, based in Rome, Italy. UNINETTUNO has been offering distance-learning graduate courses through two satellite channels and a didactic portal that is available in five languages (Italian, English, French, Spanish and Arabic) for many decades. The video lessons are held by scholars from various European universities in the Mediterranean area.

In 2003, thanks to the project titled Mediterranean Network of Universities financed by the European Community, UNINETTUNO created a network of 31 universities from 11 Euro-Mediterranean countries. The professors from Arabic and European universities have been working together in this framework to create university courses in four different languages that give students the possibility to become familiar with an international community and to obtain a title recognized in many European and Mediterranean countries.

In this context, partnering universities were provided with technology poles featuring satellite television and video-conferencing systems, and computers with high-speed internet access.

Based on this experience, UNINETTUNO was asked to provide the necessary technical expertise, tools and services to enable the execution of an e-learning intervention based on UNIDO's frameworks and training modules and targeting Iraqi entrepreneurs. In addition to transforming the training material into a form that can be delivered through modes of distance-learning, UNINETTUNO has also provided the EDCs with technology poles similar to those set up in its partner universities.

While entrepreneurs have the option to make use of these EDC-administered distance-learning services at their own convenience, these technology poles will enable those who do not have the appropriate means, such as high-speed internet connection, to access these services covering topics including entrepreneurship skills, enterprise management, and marketing and finance.

UNINETTUNO provided training to EDC staff members to enable them to use these technology poles in full capacity. A team of tutors will also be trained, who, after the training, will start providing additional and face-to-face learning support to entrepreneurs that are partaking in distance-learning. Moreover, UNINETTUNO is providing the EDCs with multimedia tools such as DVDs which can be used by Iraqi entrepreneurs as an additional resource for learning.

To ensure institutional ownership and sustainability of the project, the technology poles are set-up within the UNIDO-supported Enterprise Development Centers (EDCs), which are hosted by Iraqi public institutions mandated with supporting private sector development in each target governorate. The EDC in Baghdad is hosted by the line ministry of the project, the **Ministry of Industry and Minerals**. Nassiriya Chamber of Commerce in Thi Qar and the **KRG Ministry**

of Trade and Industry in Erbil host the local EDC, as well as the EDICT technology pole. These institutions also provide the project with full- and part-time staff members. Additionally, UNIDO collaborates with KRG Prime Ministry Office and Thi Qar Provincial Council to enable project implementation.

It was decided at the Steering Committee meeting in October 2011 that rather than directly managing and supervising the work of EDCs, UNIDO will subcontract on-the-ground project implementation activities to host institutions, while providing mentoring support, from March 2012. As these UNIDO interventions supporting EDCs will come to an end in 2013, this should allow host institutions to develop the necessary administrative and technical capacities required to run these Centers without any external support. In other words, it is hoped that this gradual approach will ensure the sustainability of EDCs. Meanwhile, UNIDO will keep assisting host institutions through the development of an Operational Manual and Sustainability Plan during 2012.

Various responsibilities and roles of each are specified below.

Governorate of Baghdad:

- In addition to serving as the line ministry, Ministry of Industry and Minerals is de facto the focal point for all project activities in the Baghdad governorate. The Ministry hosts the Enterprise Development Unit (EDC) on its premises and nominates officials to contribute to project activities. Ministry officials who have already been trained by UNIDO continue to serve as a team of resources in the governorate for training and business counseling.
- Iraqi Federation of Industries has nominated staff to be trained through UNIDO's Training of Trainers. These officials make up a part of the EDC Team of Trainers.

Governorate of Erbil

- KRG Prime Ministry serves as the focal point for UNIDO activities in the governorate and provides strategic guidance to private sector development activities.
- KRG Ministry of Trade and Industry is the technical reference point for all operational activities of the project. The local EDC is hosted within their premises and they dedicate full- and part-time officials to contribute to project activities. Ministry officials who have participated in UNIDO's capacity-building activities actively serve as trainers and business counselors within the EDC.

Governorate of Thi Qar

- Thi Qar Provincial Council is the focal point for the project in the governorate and provides institutional support to facilitate project implementation.
- Thi Qar Chamber of Commerce hosts the EDC and has the technological pole within its premises. It will continue to nominate personnel for capacity-building exercises. The Board previously nominated officials who have been trained through EDIP project will continue to serve as a team of resource in the governorate for training and counselling.
- In addition, Thi Qar Vocational Training Centre, Thi Qar Engineering Union, and Thi Qar University previously contributed their staff members to the project. These staff members, having been provided with capacity-building, continue to serve as EDC's human resources – trainers and counselors. These institutions will also continue to nominate their staff for the project's capacity-building exercises.

II. Resources

Financial Resources:

The project is funded by the Italian Government through the International Trust Fund for Iraq (ITF). The budget of the project is 2,940,000 USD. Till date, no budget revision has been requested. While Iraqi counterparts do not provide any financial resources to the project, they are contributing in kind by hosting the EDUs, technology poles and the associated staff within their premises.

Human Resources:

- National Staff: A Local Coordinator and Project Assistant have been hired to support the implementation of the project in Thi Qar and Erbil. A Project Assistant has been recruited in Baghdad, who works to support 3 personnel hired by the Ministry of Industry and Minerals to support and oversee the project activities in this governorate. Counselors, trainers and tutors in these governorates were nominated by the counterpart institutions and are accommodated based on a cost-sharing approach with these counterparts.
- International Staff: A Project Coordinator and a Senior Consultant have been recruited by the project and well as a SPX Expert and an Investment Promotion Expert have been hired.

III. Implementation and Monitoring Arrangements

Project Implementation

The project implementation and supervision responsibility is with the Investment and Technology Promotion (ITU) branch at UNIDO headquarters, where a Project Manager has been assigned to coordinate the overall planning and implementation of the project.

The project is being implemented in the field through a Project Management Unit (PMU) in Amman, Jordan, where an international Project Coordinator is stationed. He is responsible for the monitoring of the project activities in the three governorates and has undertaken several missions to project sites in Iraq (Erbil and Baghdad). Due to the security situation in the country, the project is monitored from Amman through regular teleconferencing and reporting.

In order to ensure effective implementation and institutionalization of the project in each of the governorates, an Enterprise Development Unit (EDC) has been established in one of the stakeholder institutions in each governorate on cost-sharing basis.

	Baghdad	Thi Qar	Erbil
Total value of infrastructure per EDC	61,780 USD	45,180 USD	38,175 USD
Percentage contribution to infrastructure	41%	15%	21%
Percentage contribution to EDC running expenses	37%	20%	40%

Each EDC is headed by a Head of EDC, belonging to and nominated by the host institution. The project has recruited a Local Project Coordinator (LPC) to oversee day-to-day project implementation in Erbil and Thi Qar. In Baghdad, this role is assumed by 3 Ministry officials who are assigned to the EDC. For all three project governorates, the project has also recruited a Project Assistant to assist with administration and logistics.

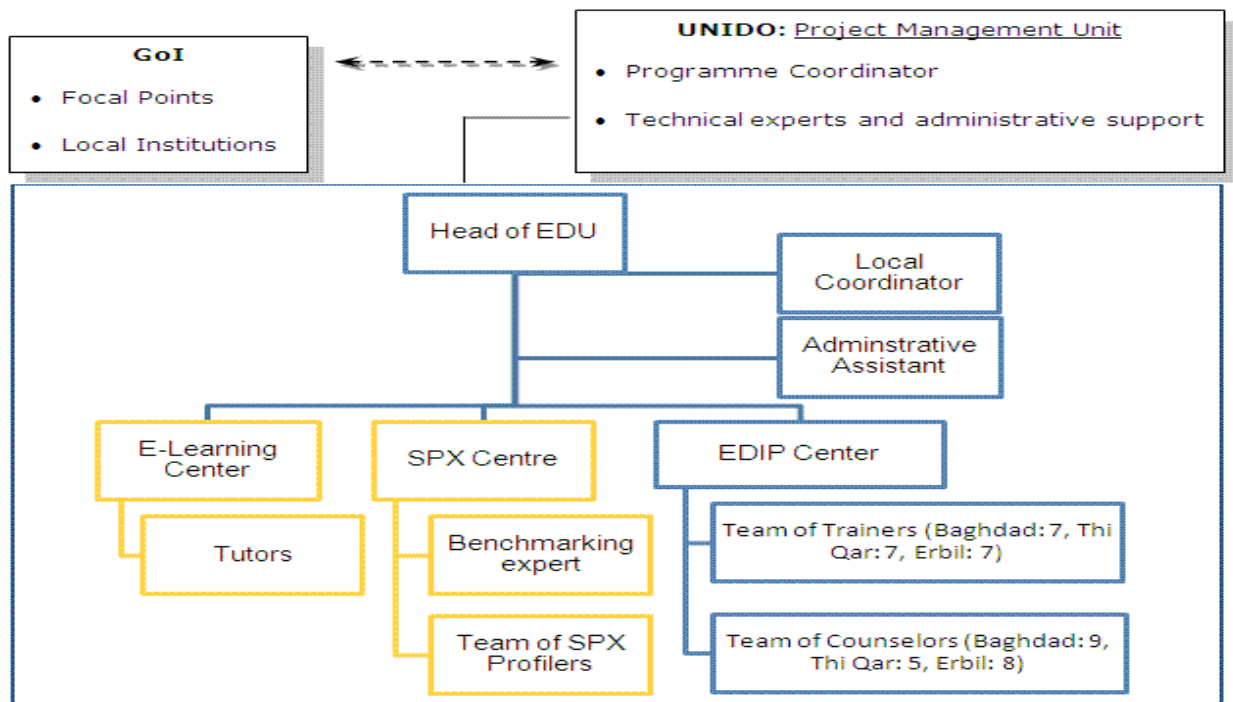
Structure of the EDC

As noted previously, for sustainability, each EDC is hosted by a stakeholder institution that has exposure to the private sector and works in a relevant field. These institutions are expected to absorb the EDC upon completion of the UNIDO project and continue their private sector support activities.

Specific duties and responsibilities of Heads of EDCs, Local Coordinators and Project Assistants are provided in the subsequent section.

Teams of Trainers (ToT) and Team of Counsellors (ToC) consist of staff members nominated by various counterpart institutions who were trained by UNIDO. These local experts provide training and one-to-one business advice/counseling services to local entrepreneurs. The primary goal of these efforts is to enable entrepreneurs to develop a business plan, which will enable them to realize their business/project ideas.

As explained previously, a technology pole, high-speed computers with internet access and a video-conferencing station, has been established within each EDC to enhance their abilities to service local entrepreneurs. Within this context, tutors, who will be responsible for providing teaching support to distance-learning participants, will be stationed in each EDC.



Moreover, EDCs have recently established Subcontracting and Partnership Exchange (SPX) Centers under their umbrella within the framework of another complementary UNIDO project, **Investment Promotion for Iraq (IPI)**. These support local SMEs interested in supplying intermediary goods for large domestic and multinational companies active in oil, gas and construction sectors.

Role of the EDC

The Enterprise Development Centers (EDCs) located in each of the governorates are the backbone of the project. They are the conduit through which the project activities are run. They are the primary node of implementation of both EDICT and IPI projects. While overall training and counseling activities fall under the scope of EDICT, IPI strives to strengthen EDCs' capacity to provide investment promotion services. In overall, the role of the EDC can be defined as follows:



- **Training of entrepreneurs:** Trainers stationed in each EDC provide training courses for local entrepreneurs on continuous basis. Each training course takes up to 15-20 days and is organized, promoted and administered by the EDC. Topics covered include entrepreneurship skills, enterprise management, financial tie-ups, marketing and international partnerships.
- **Business advisory/counseling services:** The trained entrepreneurs graduating from the ToEs are provided with business advisory services by the EDC. The Team of Counselors, consisting of individuals who were previously trained through the project, provides this service, which aims to assist entrepreneurs in creating business plans to enable them to realize their business/project ideas. EDC will provide assistance to the counseled entrepreneurs/enterprises in facilitating linkages for market access, sub-contracting, technology upgrading, procedural issues, and financial access.
- **E-learning services** to provide Iraqi entrepreneurs with distance-learning services including training courses on enterprise management and business advice sessions delivered through satellite television, video-conferencing and a website portal. EDCs host the technological poles for distance-learning. Moreover, EDC will host the interactive sessions between the tutors and distance-learning trainees.
- **Investment promotion services** for established companies aiming to put them in contact with large domestic and international companies for technology and equipment transfer, franchising and market access agreements, outsourcing and joint ventures.
- EDC is responsible on behalf of the project to **liaise** with various governmental/international/civil society institutions to build synergies for the project activities.
- **Promoting the project in the governorates:** EDC is responsible for promoting the project in the governorate and particularly the classroom training and distance learning components.
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To accomplish these aims, the following individuals undertake the outlined duties and responsibilities within the framework of EDICT project.

Roles and responsibilities

Role	Duties and responsibilities
Project Manager	<ul style="list-style-type: none"> • Responsible for overall project implementation and supervision. • Make all decisions regarding staff recruitment, contractual agreements, technical assistance, backstopping and procurement.
Project Coordinator	<ul style="list-style-type: none"> • Responsible for overall project coordination in the field. • Provide project management advice to the project manager. • Monitor field activities in all three governorates. • Liaise with government and international institutions, and project donor on project related issues.
Local Project Coordinator	<ul style="list-style-type: none"> • Liaise with local institutions on behalf of the project. • Support and guide the team of trainers/counselors/tutors/SPX-profilers in the governorate. • Support the Head of EDC in day-to-day management of EDC. • Responsible for timely implementation of the project activities in the governorate. • Regular reporting of the project activities.
Head of the EDC	<ul style="list-style-type: none"> • Oversee the promotional activities of EDC. • Oversee the project activities including training sessions, counseling, investment promotion and interactive sessions between distance-learning tutors and trainees. • Day-to-day management of the EDC.
Team of Trainers	<ul style="list-style-type: none"> • Promotion of the Training of Entrepreneurs in their respective governorates. • Identification and selection of entrepreneurs for training. • Preparing the training schedules. • Organizing the training course. • Providing training inputs.
Team of Counselors	<ul style="list-style-type: none"> • Providing business advisory services to the entrepreneurs graduating from ToEs. • Providing assistance to the counseled entrepreneurs

	<p>in developing financial linkages, market access, technology tie-ups, and support in administrative and legal procedures.</p> <ul style="list-style-type: none"> • Regular follow-up with counseled entrepreneurs.
UNINETTUNO	<p>UNINETTUNO is the technical partner for the implementing the component on distance learning using Information & Communication Technologies. It undertakes the following activities:</p> <ul style="list-style-type: none"> • Assess the technical requirements available at each of the EDCs so as to host the technological poles for ICT platform. • Procure and equip the EDCs with the technical infra-structure required for the technological poles. • Provide training to experts to be used as trainers and to the tutors who will be providing tutoring services to the participants using the course. • Adapting the UNIDO training material of UNIDO into distance learning delivery tool • Recording and producing the training material for transmission • Delivering the course material to the project beneficiaries using the ICT platform. • UNINETTUNO will be reporting regularly to UNIDO on the activities assigned to them.
Tutors	<ul style="list-style-type: none"> • Provide face-to-face guidance and tutorial support on technical issues such as enterprise management to trainees undertaking the distance-learning courses.
Project Assistant	<ul style="list-style-type: none"> • Manage all the logistics activities related EDC activities. • Perform administrative and budgetary work according to UNIDO procedures. • Create and update a database of contact information of the people related to the project activities.

Monitoring/mentoring approach to project and EDC staff

Project monitoring is managed by the Project Management Unit (PMU) in Amman, which follows a remote monitoring approach due to the security situation in Iraq. Regardless of the challenges caused by remote management, regular monitoring and mentoring are provided through electronic mail, telephone conversations, and monitoring missions to Iraq.

In order to maintain effective coordination and monitoring of the project, a weekly reporting and communication schedule is being executed. LPCs are expected to provide the Project Coordinator with a briefing on implementation progress and work to be executed in the short-term on weekly basis. Every week, the Project Coordinator and LPC discuss the bottlenecks in project operations (e.g. money transfers, logistics, technical advice) and together define the most appropriate way to proceed. Moreover, EDCs provide PMU with bimonthly progress reports detailing each administrative and project activity undertaken in the governorate.

In addition, LPCs are also in charge of preparing training and counseling reports, which are later reviewed by the PMU. The PMU maintains the quality and effectiveness of these services delivered by the trainers and counselors with a thoroughly designed monitoring mechanism, including quantitative analysis and regular phone interviews with beneficiaries.

The prior experience of UNIDO in many developing countries, and especially in the region, shows that entrepreneurs abandon their responsibilities if they are not provided with post-training support. The project, as part of UNIDO's EDIP model, designed the provision of business counseling support to the trained entrepreneurs to address this challenge.

Business counseling/advisory services play a crucial role in achieving the targets of the project and thus, PMU strives to provide as much support as possible to business counselors. The counselors are provided with regular mentoring through an international consultant, who regularly reviews counseling reports. The counselors submit monthly reports of summarizing counseling support provided, which effectively documents the services/advice offered by the counselors to the entrepreneurs as well as the status of entrepreneurs' business projects. In order to record the time provided by the counselors, a logbook is maintained in the EDC under the supervision of the Head of EDC.

The LPC is responsible for liaising with counterpart institutions in the selected governorates to monitor and evaluate the activities of the EDC.

IV. Results

EDICT activities kick-started in September – December 2009 with the signing of the partnership contract with the UNINETTUNO as well as organization of an inception meeting with stakeholders. Focal Points and technological pole locations were also identified at this meeting. Following the meeting, UNINETTUNO began carrying out the initial assessment of the technical conditions at the locations where technological poles will be set-up.

In order to increase capacities of the EDCs to provide business advisory services as per the second output, UNIDO consultants have been constantly mentoring institutional partners operating within the framework of existing Enterprise Development Centers (EDCs).

UNIDO-supported offline EDC training and counseling activities have started during the last months of 2010, adding to the pool of EDC trained and counseled entrepreneurs, first established through UNIDO's recently-closed EDIP project.

UNINETTUNO has submitted a detailed Terms of Reference, summarizing activities that will be undertaken including transformation of UNIDO training material on EDIP and SPX to distance-learning course modules, and EDC capacity-building sessions.

Due to the delay in supplying the technology poles and issues with Iraqi customs, the receipt of the technical equipment/facilities required to facilitate the delivery of distance-learning services such as computers and other video-conferencing equipment by the EDCs in targeted governorates were delayed by five months. Technology poles have been received in all three governorates in December 2010 and set-up. Since these poles are crucial for project implementation, this resulted in a delay in the launch of online (distance-learning) activities of the project.

Meanwhile, UNINETTUNO has been working with UNIDO Headquarters to identify and record the UNIDO courses that will be delivered through e-learning facilities. There has been an unforeseen delay in these proceedings due to administrative issues. Once courses are recorded fully and technological poles are fully-operational, UNINETTUNO will train 12 experts to become video teachers.

Online courses and advisory services are to be launched only in the upcoming months and their success in the long-run will depend on the amendments that will be suggested based on initial results and success. As these services will later be yielded to Iraqi counterpart institutions once EDICT project expires, ensuring their success depends on UNIDO to provide them with adequate amount of support for the adequate amount of time, which would only be possible through an extension of the project. Therefore, UNIDO PMU has applied to the International Trust Fund for Iraq (ITF) Secretariat to secure a 6-month extension, which was granted in July 2010.

Once launched, to increase the outreach of these distance-learning services, UNIDO will launch an extensive media outreach/promotion campaign involving a new website for the EDCs to better promote their services; national/local TV commercials and press articles; distribution of pamphlets in relevant venues including chambers of commerce and industry; and informational seminars by UNIDO local project staff in relevant venues including universities. UNIDO, through UNINETTUNO, has also prepared a website/platform to ease registering into online services and tracking their status/success. Together with UNIDO's new monitoring mechanism established to better identify the issues faced by the EDCs (and distance-learning services, once they are launched), these interventions will seek to ensure the success of EDICT distance-learning services.

Project achievements

The following sub-section presents an assessment of all the outcomes against the targets stated in the project document.

Outcome: Iraqi institutions providing enterprise development services in Baghdad, Erbil, and Thi Qar are promoting local investment.

- a. Output 1: Enterprise Development Centers (EDCs) have increased capacity to deliver training modules to local entrepreneurs (online and offline).

EDCs have continued providing training services to local entrepreneurs, which were initially launched through UNIDO's recently-closed EDIP project. The EDC in Thi Qar has held 4 training sessions, while EDC Baghdad conducted 4 training sessions within the framework of the project. 2 training sessions was held in Erbil. The following table summarizes the to-date achievements of these activities. As indicated, the target for

offline training courses is almost reached. However, since these courses serve almost as an orientation course into more complex EDC activities, EDCs will keep holding regular courses until the end of the project.

Furthermore, to assess the success of these courses, EDCs have been conducting training assessments to ensure training participants graduate with the adequate skills. The results from Thi Qar and Erbil show that this has been the case, while the assessment is currently being conducted in Baghdad.

	Baghdad	Thi Qar	Erbil	Total	Target
Total number of male entrepreneurs trained offline	82	63	41	186	
Total number of female entrepreneurs trained offline	9	12	4	25	
Total number of entrepreneurs trained offline	91	75	45	211	200
Percentage of trainees passing the training assessment	<i>Pending</i>	89%	100%		80%
Average monthly number of visits by entrepreneurs to EDC	19	20	16		

UNINETTUNO has finished setting up the technology poles – 12 computers with high-speed internet access and a video-conferencing system for each governorate – within the EDCs, though a delay of 5-months was faced due to customs and visa issues. UNINETTUNO has been working with UNIDO Headquarters to identify and record the UNIDO courses that will be delivered through e-learning facilities. There has been an unforeseen delay in these proceedings due to administrative issues. Once the recording of material is finished, online training courses and business advice services will be launched officially.

	Baghdad	Thi Qar	Erbil	Total	Target
Number of technological infrastructure in place	1	1	1	3	3

- b. Output 2: Enhanced capacities of EDCs to provide business advisory services to existing and new enterprises.

While online counseling/business advice activities will be launched together with distance-learning training courses, offline (face-to-face) counseling activities have proceeded as planned. Similar to training, EDCs have been striving to gauge how satisfied beneficiaries are with counseling services. This assessment has only been

concluded in Erbil thus far.

	Baghdad	Thi Qar	Erbil	Total	Target
Number of enterprises provided with business advisory services (offline)	37	82	47	166	
Number of counseling reports prepared	27	83	37	147	100
Percentage of enterprises satisfied with business advisory services	<i>Pending</i>	<i>Pending</i>	92%		80%
Percentage of entrepreneurs/enterprises counseled at least 3 times	56%	43%	36%	45%	80%

Moreover, UNIDO international consultants have resumed with monitoring missions to Iraq to provide hands-on advice to EDC staff including management, trainers and counselors. Unfortunately, no missions could be held to Thi Qar, as the area is not covered by UN security.

	Baghdad	Thi Qar	Erbil	Total	Target
Number of mentoring visits conducted to advise EDC staff	1	0	3	4	6
Percentage of EDC staff satisfied with the mentoring support	77%	<i>Pending</i>	86%		80%

Major Activities Undertaken During the Reporting Period

The major activities that have been undertaken during the year 2011 are mentioned below:

Set-up of technology poles (December -2010 – January 2011)

Technology poles – 12 computers with high-speed internet access and a video-conferencing system per governorate – were set up within the EDCs in the Ministry of Industry and Minerals in Baghdad, Nassiriya Chamber of Commerce in Thi Qar and KRG Ministry of Trade and Industry in Erbil. UNINETTUNO has conducted the necessary assessment and installation activities, while host institutions have committed staff members and resources including venue and internet connection for these technology poles. After UNINETTUNO finishes adopting



UNIDO's EDIP and SPX material into distance-learning training course modules, a training session will be held for EDC staff to build their capacities in using the distance-learning system.



Training of Entrepreneurs: Classroom (offline) training courses for entrepreneurs were held on continuous basis according to the schedule provided below by EDCs in the governorates of Baghdad, Thi Qar and Erbil. The participants were trained on management topics such as marketing, business opportunities analysis, business plan preparation, bookkeeping and accounting and financial linkages. Some of these trainings were held with the participation of Iraqi entrepreneurs referred to the EDCs by Amalkom, a microfinance institution responsible for

managing UNIDO’s 1 million USD collateral-free and low-risk credit facility for Iraqi entrepreneurs. Since being an EDC customer was a requirement to apply for this loan, these entrepreneurs were referred to EDCs and become EDC clients.

Governorate: Baghdad		
Training Course	Dates	Number of Trainees
2 nd Training of Entrepreneurs	13 - 24 March 2011	25
3 rd Training of Entrepreneurs	8- 19 May 2011	32
4 th Training of Entrepreneurs	28 Nov. – 19 Dec. 2011	14
Governorate: Thi Qar		
Training Course	Dates	Number of Trainees
2 nd Ad-hoc training	30 March – 4 April 2011	13
2 nd Training of Entrepreneurs	10- 26 July 2011	16
3 rd Training of Entrepreneurs	12-29 September 2011	14
Governorate: Erbil		
Training Course	Dates	Number of Trainees
2 nd Training of Entrepreneurs	27 June - 18 July 2011	20



Business advisory/counseling services: UNIDO-mentored business counselors in the project governorates have been providing regular business advisory and counseling services for the trainees graduating from the training courses. These services aim to allow entrepreneurs draft business plans, which should, in turn, allow them to realize their business/project ideas. Moreover, they provide entrepreneurs with advice on issues such as registration, licensing and applying for credit. To date, 166 entrepreneurs have participated in 536 counseling sessions, leading to the creation of 42 business plans.

Monitoring missions and activities

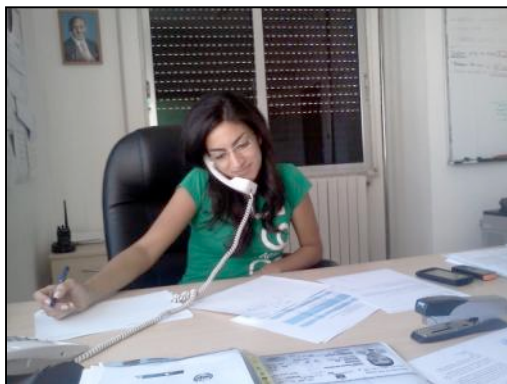
As the project aspires to contribute to the capacities of EDCs, established under the umbrella of Iraqi counterpart institutions, which also provide staff to these Centers, monitoring the performance of EDCs and mentoring their staff takes priority. Since these staff members, in turn, service local entrepreneurs, UNIDO has been holding regular missions with the participation of international consultants to make sure everything is running smoothly. Unfortunately, as UN security does not cover Thi Qar, only Erbil and Baghdad could be visited by UNIDO. However, staff members from Thi Qar were invited to Erbil during the mission to Erbil in April for monitoring.



To provide EDCs with best assistance possible, PMU has developed additional indicators to those cited in the project document, particularly designed to evaluate the performance of EDCs. Some of these indicators, such as contribution of host institutions to EDCs, are provided in this report. These indicators and relevant reporting requirements were introduced to staff from all EDCs during the mission to Erbil in April 2011.

Mission details	Dates
Monitoring mission to Erbil	18-24 February 2011
Monitoring mission to Erbil and meeting with staff from all 3 EDCs on monitoring modalities	12-17 April 2011
Monitoring mission to Baghdad	29-30 June 2011

Reports prepared by UNIDO consultants summarizing findings and proposing recommendations for each mission were shared with PMU and UNIDO Headquarters.



Last but not least, a phone interview/survey was conducted by PMU in September 2011 to hear more about individual views of EDC beneficiaries who have been trained and counseled in the past directly. Due to language constraints, only the entrepreneurs from Baghdad and Thi Qar could be interviewed. According to 9 interviews held for each governorate, entrepreneurs generally find EDC services to be accessible and beneficial, while they require more financial support to realize their business plans. UNIDO will conduct similar surveys/interviews periodically in the future.

Steering Committee Meeting of EDICT and IPI Projects (October 2011)

A two-day Steering Committee meeting was organized with the participation of UNIDO, the Italian government as the donor, and partner institutions from Iraq including the Ministry of Industry and Minerals, KRG Council of Ministers, KRG Ministry of Trade and Industry, Thi Qar Provincial Council, Nassiriya Chamber of Commerce, and National Investment



Commission (INIC). Moreover, UNINETTUNO, UNIDO's partner for e-learning activities under the framework of Enterprise Development through Information and Communication Technologies (EDICT) project, was invited to participate. During the meeting, implementation status and achievements of EDICT and Investment Promotion for Iraq (IPI) projects were presented, while discussions were held on implementation challenges and possible means to remedy these issues. The issues discussed included recording of e-learning courses and subcontracting of EDCs. The meeting was very fruitful and promising in terms of the sustainability of EDCs, and the participants decided to meet again in 6 months.

V. Future work-plan

Adaptation and production of UNIDO e-learning training material

UNIDO methodological approach for validation of training material is based on having a consolidated training manual to be validated by expert in HQ in Vienna before proceeding in the production phase. UNINETTUNO's e-learning model does not recommend the preparation of such material, since it will be not in line with the copyrighted learning model developed by them. The model strongly relies on the experts during the video lessons. UNINETTUNO can prepare this material upon request but they will consider it as a separate request, which is not suitable for UNIDO.

The activity of production of the SPX video-lessons is affected by the discussion on the adaptation of training materials. As for the EDIP material, a production schedule was agreed by ARCEIT and UNINETTUNO on June 2011 to be recorded on July 2011. On July 15, UNINETTUNO completed the recording of the first 3 lessons out of the 50 ones envisaged for EDIP. UNINETTUNO, in several formal communications with UNIDO, stressed the need to receive from the Bahraini and Vienna partners a detailed planning specifying the teachers and hours of video-lessons to be recorded by each one of them. It was decided at the Steering Committee held in October 2011 that UNINETTUNO and UNIDO will accelerate their efforts to finalize adaptation of courses, and they will become available for entrepreneurs in early 2012.

Promotion of e-learning services

As the project ambitiously aims to provide 500 entrepreneurs with e-learning services, UNIDO has decided to launch of promotion campaign together with the launch of e-learning services to increase the visibility of EDCs and services they provide. In this regard, this initiative is also an attempt to contribute to outreach and sustainability of the EDCs. The promotion campaign will consist of print material such as pamphlets and banners, and television and newspaper advertisements. EDCs will also be asked to engage with institutions in their governorate to promote the project.